## CHRO ROUNDTABLE



## CHRO Roundtable: AI Is Creating Full-On Change Management Transformations

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Each quarter, we are convening a discussion with three CHROs on a big theme shaping HR. Ashley Goldsmith of Workday, Jacqui Canney of ServiceNow, and Kristen Ludgate, who recently stepped down from HP, share their timely insights on everyday AI in HR, culture-driven adoption, workforce transformation, and building change-ready leadership with The ExCo Group CEO David Reimer and Senior Managing Director and Partner Adam Bryant.

Reimer: We've had so many headlines in recent years anticipating the impact of Al. What are you seeing now? How has the conversation about Al shifted, particularly for HR?

**Goldsmith:** My sense is that everyone is experimenting more with Gen Al right now. There are a lot of offerings, and people are trying them to see what delivers a return on investment and helps drive the outcomes we're seeking. There's a real sense of wanting to get in there and try this, particularly in the HR space.

**Ludgate**:It's moving really quickly, and there hasn't been the kind of resistance to adoption that we have seen in the past with multi-year digital deployments. Employees are super-eager to gain access to the tools. They know that they need to develop skills in this area, and that these tools can make their work life better. The change journey has been a bit different. There's just an eagerness to get going that is faster than we have seen in the past.

Canney: All three of us work at companies that are creating products using Al and are incorporating Al into our workflows. Having customers and partners with the same level of comfort with what our products can do and what they can change by using Al inside the workflow has been a really important part of our enablement plan. We also have ServiceNow University to train people—customers, partners, and employees—on our products. It's a massive lift, given that we want to reach 3 million learners by 2027, and we've incorporated Al to help make the learning relevant and quick.

Bryant: Employees often have different levels of openness to change and disruption. How are you helping to operationalize that culture shift to encourage people to adopt AI?

**Goldsmith:** We have a programmatic approach at Workday called Everyday AI, which is led by our CEO. We want everyone to be trying AI and using it as much as they can. We have employees share their use cases of how they used AI, including the time it saved and how it helped drive outcomes.

Hearing those stories really encouraged others to experiment, as well. It made it very acceptable to make time for it, and to try and fail. There is a lot of peer learning on our Everyday Al Slack channel. People are really excited to share what they have done. It's really made it approachable for everyone. We've seen a tremendous difference in our usage since we started doing that.

**Canney:** This is a full-on change management transformation. As Bill (McDermott, ServiceNow's CEO) says, "You have to think differently to do differently." And that is a big role for HR leaders, as we think long-term about workforce strategy and how we hire. We need to understand how to best enable our employees to move from where they are now to where we want them to be, in terms of their confidence level and training and experiences.

All this is anchored in accountability. The people who work here have to feel accountable and feel like they're invested—that they need to do this type of work to grow and to be able to do their jobs. It's not just the company saying that they should do this. It's a shared responsibility.

**Ludgate:**People are seeing the technology creating more transparency inside the company, in terms of employees being able to match the skills they have now, and the skills they need, to different opportunities. All can help employees do all of that. So there's a bit more of an incentive for people to engage now than we've seen with deployments in the past, where you had super-users and everyone else.

People can see the benefits right away with AI. We find that people who are using AI tools are very optimistic about them. They see that this could help them personalize their work experience, architect their career, and even help with work-life balance.

Reimer: What do you see as the biggest challenge for the HR profession overall in terms of Al adoption and integration?

**Canney:**It depends in large part on the age of the company. For companies like ServiceNow that are only a couple of decades old, we didn't have to make a big technological shift like legacy companies. But broadly speaking, I find that HR leaders can get stuck because it's expensive, risky, and time-consuming to shift to new technology.

So the challenge for the profession is figuring out how to move into the future while respecting what was done in the past. That's where the difficulty is. The function has to evolve, as well. There's a lot of change that is going to unfold in traditional HR roles and the models we've used, and that can be

scary and unpredictable. HR has to be a resilient champion for this work, alongside a great CEO and a great board, and those ingredients probably don't exist in every company.

And we are all trying to drive a product mindset inside our companies, as opposed to the old siloed approach built around process and policy. The focus has to be more innovative and creative in terms of what we deliver for employees that make their jobs easier. Design thinking is a big part of the skill set that we are going to need.

**Goldsmith:** The company's culture has a very strong bearing on the extent to which you can quickly adopt new technology and take risks. An adaptable culture, one that is open to innovation, experimentation, and continuous learning, will be far more successful in integrating AI than a rigid, risk-averse one. This includes leadership buy-in and a willingness to invest in the necessary resources and training for employees.

We've actually been building adaptation into our talent structure in HR. I'll give you an example. A number of years ago, we created what we call an accelerator team, which is a cross-functional group of people who really understand the business in a way that outside consultants do not. We learned a lot through that process, including the importance of consulting skills—the ability to diagnose a problem, scope it quickly, and work cross-functionally to develop a solution.

**Ludgate:**We did something similar, creating an agile PMO team with cross-functional capabilities to encourage holistic approaches to enterprise initiatives. We also started using the title of product managers in our talent and learning team to reinforce the product mindset that we want to see. If agents and other AI capabilities can help smooth out a lot of the operational and policy work, then you can focus more on designing experiences that show impact and on priority business needs, including helping people and business leaders understand the capabilities needed today, as well as 3 or 5 years from now.

Bryant: What are the implications of all this for senior leaders, particularly those who didn't necessarily grow up with this technology?

**Goldsmith:**We are a 20-year-old company, so all this feels quite native for us in terms of how we lead our employees. But we all took advantage of the opportunity to revisit some of the structural aspects of our work, including the blueprint for talent management. What are the core ways we think about people leadership as we incorporate agents more? How do we think about transparency and accountability as the technology evolves?

We've also put together a change leadership program for some of our most influential executives. We recruited people based on their readiness for change, because that's what employees need from their leaders. How do you bring people along, so that they are helping drive the organization through change rather than just tolerating it? There's a human element to change management, and we really have to nurture those skills.

**Ludgate:**These are not new skills, but the skills that leaders of large teams need are the ability to drive change, resilience, communication, strategic vision, and coaching. I didn't say AI, because we assume that is table-stakes and that the leaders are fluent with the technologies and understand how they can help them do their work.

Another skill I would add is resource allocation, but I don't mean procurement in this context. We are creating capacity with all of these tools. What are we going to use that capacity for? It's about moving a bit away from a scarcity mindset. We are creating space in the organization that we can use to invest in innovation.

We also are going to need to be better at moving people around to new opportunities and to diminish some of the process barriers, which often exist in larger companies, to doing that. Things are moving so fast. We need to be able to redeploy people at a pace that matches the evolution of the technology.

Reimer: Let's end on a lighter note. Any recent examples, even something mundane, of seeing Al being used that struck you as novel or new?

**Ludgate:**I'm stepping down from my role at HP, and we had a lovely retirement dinner with the ELT. People decided to bring poems, and rather than quoting from Robert Frost or Emily Dickinson, many used AI to write a farewell poem. Some of them were quite good, including the way AI figured out clever rhymes.

**Canney:** I held a meeting recently for our team in Sweden. I don't speak Swedish, and so they created a digital avatar of me speaking in Swedish to the team. That was a new one for me.

**Goldsmith:**A new direct report of mine was working with her team on their vision statement. They spent time working on themes and concepts, and the best words that captured those ideas. Finalizing that language for these exercises usually can take another half day. But then they typed all those words into Gemini, which we use at Workday, and out popped its suggestion. The whole team said, "That's it. We're done!" So they were able to use that big block of time they had set aside to finish that project for a team-building exercise.